COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0027-04
Bill No.: Perfected HS for HB 349
Subject: Makes various changes regarding the protection of the elderly.
Type: #Updated
Date: May 1, 2001
Updated to reflect new information from the Department of Social Services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	($12,681,503) to ($15,790,826)	($21,902,784) to ($25,216,013)	($23,859,739) to ($27,222,753)
Healthy Families Trust	$0 to ($5,000,000)	$0 to ($5,000,000)	$0 to ($5,000,000)
Total Estimated Net Effect on All State Funds*#	**($12,681,503) to ($20,790,826)**	**($21,902,784) to ($30,216,013)**	**($23,859,739) to ($32,222,753)**

*** Does not include unknown costs for expansion of Shared Care Tax Credit.**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Federal Funds	($8,615)	$0	$0
Total Estimated Net Effect on All Federal Funds#	**($8,615)**	**$0**	**$0**

#Federal revenue and expenditures to exceed $37 million annually.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	**Exceeds ($100,000)**	**$0**	**$0**

Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 36 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Public Defender, Department of Public Safety-Missouri Highway Patrol, Office of Attorney General**, and **Office of the State Treasurer** stated the proposed legislation would not fiscally impact their organizations.

Officials from the **Office of State Courts Administrator** stated the proposed legislation would not have an appreciable impact on the workload of the courts.

Officials from the **Office of the Secretary of State (SOS)** assume the proposed legislation would require the printing of additional pages in the Missouri Register and the Code of State Regulations and have estimated a publishing and distribution cost of $2,214 for FY 02. Additionally, future costs are unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Corrections (DOC)**stated the proposed legislation will result in unknown costs less than $100,000 to the DOC as a result of persons convicted of the crimes specified in the legislation.

Officials from the **Office of Prosecution Services (OPS)** did not respond to our request for fiscal impact. However, in response to an earlier version of the proposed legislation OPS officials deferred to the Cole County Prosecuting Attorney's Office to provide a response for this proposal.

In response to the earlier version of the proposed legislation, officials from the **Cole County Prosecuting Attorney's Office (CCPAO)** stated that this proposal is a complete re-write of the existing laws in this subject area The proposal affects the stealing, assault, and abuse statutes. This will require the local prosecuting attorney offices to re-write forms and instructions related to elder abuse. This will also require an update to the computer network being installed in the prosecutors offices statewide. Although the CCPAO could not give a precise estimate of these costs, the costs are expected to exceed $100,000 in the first year alone.

Oversight will present a cost of over $100,000 for FY 01, based on prior responses, for the various prosecuting attorneys statewide which will be reflected in local government funds for fiscal note purposes.

ASSUMPTION (continued)

Officials from the **Department of Revenue (DOR)** stated the Office of Administration - Budget and Planning will estimate the general revenue impact. However, the DOR notes that there will be a decrease to General Revenue due to refunds being issued on the credit. In addition, the DOR officials noted the addition of the refundable language will not have an administrative impact to the DOR.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** stated the proposed legislation should not result in additional costs or savings to the BAP. There would be impact on the total state revenue. However, the BAP does not have information available to estimate the cost of this tax credit.

Officials from the **Department of Labor - Division of Employment Security (DOL-DES)** stated the proposal provides that contributing employers, who are currently charged for benefit payments because an individual was not discharged for misconduct connected with work, will no longer be charged for benefit payments if the employer was required by law to discharge the individual because the individual was placed on a disqualification list after being hired.

Unemployment benefits are paid from the Unemployment Compensation Trust Fund (UCTF). The UCTF is funded by all contributing employers and by employer payments for benefit charges. Although the proposal would not change the amount of benefits paid, it no longer provides the charging mechanism for replenishing the fund. The cost of benefits would reduce the balance of the UCTF, which would contribute to future rate increases to all contributing employers if the balance reaches certain levels.

The DOL-DES is not able to identify current claims meeting the proposed conditions, to estimate and project the payable, number of weeks claimed, and other unknown factors.

Information Services estimates the change to the benefit charging provisions would require 220 hours of computer programming to the nonmonetary and charging process in the existing system. This would be an estimated one-time start up cost of $8,615, which would have a negative impact on Federal Funding. The Division assumes the cost for changing and printing notices and pamphlets would be part of the normal cost of operations.

The DOL-DES also stated that allowing the Department of Social Services to provide investigative information relating to the circumstances of an individual's separation could better equip the DOL-DES when investigating misconduct connected with the work than when subject employers are not in a position to provide the information at the time of the DOL-DES's investigation. The DOL-DES is not able to predict what impact this may have.

ASSUMPTION (continued)

Officials from the **Department of Health (DOH)** stated that according to a representative of the Division of Aging, there are currently 372 agencies that contract to provide in-home services. It is unknown the total number of employees of these agencies. The three largest in the state employ a total of 2,500 care staff. Since several of the agencies are very small, one could assume that the remaining agencies would have an average of 10 employees. Using this assumption, 2,500 (3 largest agencies) plus 3,690 from the smaller agencies (369 x 10) for a total of 6,190 to be registered.

According to a representative of Vocational Rehabilitation, there are currently 1,100 individuals who meet the requirements of 178.661. An additional 120 individuals are added each month. Each of these individuals has two to three caregivers that meet the definition of personal care attendant or personal care worker. By 2002 they believe 4,000 individuals will be served with the potential for an additional 12,000 caregivers. It is unclear just how many of these care givers may serve more than one client but an estimate could be made that at least 2,000 may fall into this category.

According to a representative of the Department of Mental Health, there are 4,200 entities that contract to provide personnel care services. It is estimated they employ 13,000 individuals to perform those tasks.

6,190	In-home workers (Aging)
10,000	Personal care workers (Vocational Rehabilitation)
13,000	Personal care workers (DMH)
29,190	Total

The turnover rate for these individuals would be similar to that of other in-home providers. The current turnover rate is estimated to be 35%, which would translate to 10,217 individuals to be registered annually.

The DOH estimates one staff member is needed per 5,000 registrants. This individual will process the registrant, provide information to the registrant regarding information that will be released, provide responses to employers regarding background via the toll free number, confirm by letter the information provided to the employer and registrant, and provide additional detailed information if requested.

Therefore, the DOH estimates that 2 Health Program Reps. I/II FTE will be needed along with the necessary equipment and expense. Total personal service costs, fringe benefits, and expenditures to General Revenue are estimated to be $109,520 for FY 02; $123,880 for FY 03; and $127,112 for FY 04.

ASSUMPTION (continued)

Oversight assumes the DOH would be able to implement the proposed legislation with 2 Account Clerk I FTE, would place the additional FTE in current office space, and would not need rental space.

Officials from the **Department of Mental Health (DMH)** provided the following assumptions related to the fiscal impact the proposed legislation would have on the DMH:

Section 208.010.2

The DMH assumes the intent is to eliminate the spend down provision for the population under 100% of the poverty level. The DMH officials stated that it is expected that the impact to the DMH will be minimal because it is believed that the majority of the DMH's current clients are denied Medicaid eligibility based on the income limits rather than the resource ceiling. However, there is a potential minimal cost savings to the DMH if any existing DMH clients become Medicaid eligible through this provision. Services provided by contracted providers to non-Medicaid eligible clients are paid at 100%. With the increase in resource ceilings, some of those clients could become Medicaid eligible, and the DMH would then be reimbursed by Medicaid for 60% of those charges.

If the DMH operated facilities provide covered services to any newly eligible clients, there would be a very minimal increase in general revenue. However, when individuals become Medicaid eligible, they are entitled to additional Medicaid services which will be an increased cost to the DMH. As a result the DMH anticipates a net impact of zero.

NOTE: This income change would not affect the numbers of ADA Medicaid clients because virtually all of these clients have eligibility determined by dependent children.

Section 210.903

This section adds language stating that the DMH's employee disqualification list is to become a part of the "Family Care Safety Registry and Access Line". Furthermore, Section 210.915 indicates that the DMH is among the agencies who must collaborate with the Department of Health to compare records on child-care and elder-care workers, and the records of persons with criminal convictions and the background checks. These changes could increase the volume of contacts to the DMH, but there is no way to determine whether or how much of an increase in volume will occur with the implementation of this legislation. Therefore, the DMH is assuming a $0 - Unknown fiscal impact.

ASSUMPTION (continued)

Section 208.151.1(25)

In section 208.151.1(25), the wording remains to raise the income limit to 100% of the federal poverty level for those categorically eligible under the Medicaid eligibility standards in effect 12/31/73. As a result of the change to section 208.151.1(25), it is expected that the impact to the DMH will be minimal, because it is believed that the majority of the DMH's current clients are denied Medicaid eligibility based on the income limits. However, there is a potential minimal cost savings to the DMH if any existing DMH clients become Medicaid eligible through this provision. Services provided by contracted providers to non-Medicaid eligible clients are paid at 100%. If the DMH operated facilities provide covered services to any newly eligible clients, there would be a very minimal increase in general revenue. However, when individuals become Medicaid eligible, they are entitled to additional Medicaid services which will be an increased cost to the DMH. As a result, the DMH anticipates a net impact of zero.

Officials with the **Office of the Lieutenant Governor (MLG)** assume the proposal would move the Ombudsman's Office, in its entirety, from the Division of Aging to the MLG, and that all federal and general revenue dollars would follow. The MLG assumes 800 sq. ft. office space will be required at an annual cost of $12,800.

Oversight assumes that the rent expenditure would not be required, as officials with the Division of Aging indicated in an earlier version of the proposed legislation that there was no reason why the Office's employees could not remain in the current space.

Officials from the **Department of Social Services - Division of Aging (DA)** make the following assumptions related to this proposal:

187.020. 6. Maintain Information on Resident Deaths

The proposed legislation requires the facility to contact the local coroner immediately upon the death of any resident and provide the coroner with an outline of the circumstances regarding the death of the resident. A written report containing the information provided to the local coroner is to be submitted within one business day of the death of the resident. The Division of Aging is to maintain statistics on all such reports. The Division of Aging assumes a standard format for submittal of the written report will be used and such information will be entered into a database for generation of statistics. DA believes current resources will allow for collection of, maintenance of, and provision of statistics related to resident deaths.

ASSUMPTION (continued)

187.024. 2. On-Site Investigations of Imminent Harm

The requirement at 187.024. 2. states "for reports involving imminent harm, the division shall commence an on-site investigation within twenty-four hours." Currently, the Division of Aging initiates on-site investigations alleging imminent harm within twenty-four hours. Therefore, Division of Aging does not anticipate an increase in workload or costs related to this language.

Sections 187.020. 5. and 187.030. 1. Referrals to the Prosecutor and Law Enforcement

The division assumes the prosecutors office and law enforcement agencies will determine the fiscal impact associated with additional referrals resulting from the language requiring the division to refer all cases of "suspected" elder abuse. There were 12,573 investigations completed by Home and Community Services in FY 00; 57.0% (7,172 cases) had investigative findings of reason to believe and 19.4% (2,445 cases) had findings in which the allegations were suspected to have occurred. There were 7,208 complaint reports received by Institutional Services in FY 00; 27.5% (1,986) had investigative findings of valid and 13.7% (985) had findings in which the allegations were unable to be verified.

Currently, the DA policy requires that staff contact local law enforcement agencies at any point in the investigation there is reason to believe that a crime has been committed.

Section 187.030. 2. Training DA Staff and Law Enforcement

The division estimates the following costs associated with training DA staff and law enforcement officials statewide on the proper handling of cases involving elder abuse. The division assumes that there will be a window of time in which the state will have to bring 800+ DA staff and the approximately 29,000 law enforcement officials (representing over 1,200 law enforcement agencies) into compliance with the training requirements of the legislation.

The division assumes that the law enforcement agencies will absorb the cost of training law enforcement officials. Once existing law enforcement officers receive the training, the curriculum will be incorporated into the required training for state certification in Missouri. There are 18 law enforcement training academies located throughout the state which offer the required 470 hours of training for all law enforcement officials to become certified.

The division will need one (1) Social Services Manager B1 (SSM) position to oversee the administrative responsibilities outlined in the bill. The SSM will act as the division liaison with law enforcement and will work with the Highway Patrol, Sheriff's Association, Law Enforcement Training Academies, and other such agencies and associations to fulfill the requirements of joint

ASSUMPTION (continued)

training, developing accurate curriculum including the mandated checklist to ensure thorough investigations of elder abuse cases; and revising the training as necessary in accordance with state laws. The SSM will conduct train the trainer sessions for new law enforcement and division trainers, as necessary, and be available to speak at association meetings and law enforcement conferences across the state and will conduct in-house training to establish a list of division personnel in various regions who can present on elder abuse investigations and the use of the checklist. Once the curriculum has been developed, it will be used for training staff at the law enforcement academies and within the division to train existing staff on the proper handling of cases involving elder abuse including the use of checklist. The division will add to its basic and advanced orientation this same curriculum to enhance the sections involving elder abuse that are already included in the current training program, inviting law enforcement or highway patrol personnel to present/speak at the orientation programs to meet the requirements of cross-training.

The division will conduct training for 800+ employees within the division in six to eight sessions across the state (depending on attendance by law enforcement personnel). The division estimates that 16 hours of training across three days will be sufficient, requiring two overnights for approximately 40% of the staff. All staff will require meal allowance and some travel reimbursement. Anticipating maximum carpool and state cars usage, mileage is based on an average of 75 miles per car. The division estimates the cost of training as follows (no cost for "trainers" included):

Total DA Staff/Personnel to be trained	800	
Approximate number requiring two overnight accommodations (40%)	320	
Hotel Accommodations: $60.00 per overnight two nights (320 x $60 x 2)		$38,400
Meal Allowance: $23.00 per day; two days (800 x $23 x 2)		$36,800
Meal Allowance: $17.00 last day (plus 15%) ($19.55 x 800)		$15,640
Approximate Mileage: 1 car per 3 employees = 800/3 = 267 cars		
75 average miles round-trip per car (267 x 75 x $.295/mile)		$ 5,907
Total Estimated Cost of Training DA Staff		$96,747

Oversight assumes that the training would be held at sites around the state. Oversight assumes total costs of $51,327.

Section 187.087. 2. Provision of Copy of Investigative Reports Resulting in Placement on Disqualification List

This new subsection requires that copies of reports resulting in employees being placed on the disqualification list shall, upon request, be provided to the Division of Employment Security within the Department of Labor and Industrial Relations. The Division of Aging believes current resources are sufficient to allow for provision of copies of reports to the Division of Employment Security.

ASSUMPTION (continued)

Section 187.100 Telephone Check-In Pilot Project

This section requires the division to establish a telephone check-in pilot project in one area of the state for purposes of documenting in-home employees times and services. The division, in collaboration with Division of Medical Services, is currently conducting a pilot program called "Telephony". Approximately 23 provider agencies are voluntarily participating in an area covering approximately three-quarters of the state. Telephony allows in-home employees to clock in and out of the client's home recording actual time and services provided. Approximately one-quarter of the state is prevented from participation as these areas do not have caller identification available. According to the projections of the telephone companies, it is anticipated that the additional areas will not have caller identification systems until the year 2003.

Participating provider agencies buy and develop their own systems. The systems range in price from $7,000 to $75,000 depending on the type of software and hardware that must be purchased by the agency. Upon evaluation of the pilot program, the divisions will determine the effectiveness of implementing this program statewide; however, to mandate the use of the system by all agencies would be extremely costly to small businesses. The division assumes the current pilot sufficiently satisfies the mandate of the proposed legislation and therefore anticipates no fiscal impact.

Section 187.102 Cooperative Investigations of Abuse and Neglect

The division currently cooperates with these departments in the investigation of reports of abuse, no fiscal impact anticipated.

Section 198.026. 3. Deficiencies or Violations for Facility Staffing Issues

Currently, the division requires submission of a Plan of Corrections (POCs) related to deficiencies cited including staffing and staffing related violations (i.e., qualifications and training). The DA assumed for purposes of this fiscal note that the process for reviewing POCs would not change from the current process and there would be no significant fiscal impact. However, if the proposed legislation is intended to expand the process to require the DA to more closely monitor adherence to the facility's submitted POC, then there may be an indeterminate fiscal impact resulting in a future need for additional FTE.

ASSUMPTION (continued)

Section 198.036 Long-Term Care Facility Licensure Revocation

The Division of Aging, Institutional Services (DAIS), believes current resources available for surveying and licensing functions are adequate to allow for implementation of the modifications in the proposed legislation. Dependent on the number of license revocations, the DAIS may need to seek additional FTE in the future.

Section 198.030 Residential Care Facility posting deficiencies

New requirement for residential care facilities to post statements of deficiency, however, there would be no significant fiscal impact to division.

Section 198.068 General assembly specifically intends for the civil penalties in section 198.067 to be imposed regardless of any subsequent correction of the violation by a nursing home.

The DA anticipates no significant fiscal impact as a result of this proposed requirement for nursing facilities to be held to civil money penalties even when corrective action has been taken prior to the division's visit. However, the division anticipates the number of Informal Dispute Resolutions (IDRs) may increase as a result of this requirement and that dependent on the size of the increase in IDR requests, a future need for FTE may result.

Section 198.526 Addition of subsection 3. Unannounced inspections and employee termination.

Currently, the DA prohibits the release of information regarding unannounced inspections, and therefore, anticipates no significant fiscal impact as a result of the additional language.

Section 208.151. 1. (25) Increases income limits to 100% of poverty level and 2. Increases resource limits to $3,000 for individual and $5,000 for a couple.

Division of Aging, Institutional Services (DAIS) assumes the increase in the number of individuals eligible for Medicaid services would not directly affect the number of surveys, inspections and complaint investigations required in long-term care facilities at this time. At October 31, 1999, 73% of nursing facility beds certified for Medicaid/Medicare participation were occupied. However, if the number of individuals in future years resulted in new facilities being certified for participation in Medicaid/Medicare, then the DAIS would need to request additional staff for inspection, survey and complaint investigations based on the increase in the

number of providers.
ASSUMPTION (continued)

In determining the fiscal impact of this bill on the DA, Home & Community Services, the division has made the following assumptions:
- DFS will calculate the fiscal impact associated with determining eligibility for recipients under the new requirements, and
- DMS will determine the fiscal impact associated with the cost of services for the new group of eligible recipients, and
- DLS will determine the fiscal impact associated with the cost of any administrative hearings.

The expansion of Medicaid eligible recipients is anticipated to increase the number of Medicaid eligible in-home service recipients. It is reasonable to estimate that the new Medicaid recipients will access in-home services through DA's Home & Community Services at the same rate as the current population.

It is assumed the increase in the resource limits will allow individuals to enter the Medicaid program approximately one (1) month earlier. Therefore, the number of additional clients requiring case management will be 3/12th per year or 25% of the total. It is assumed the increase in the income limits will allow individuals to enter the Medicaid program who would previously not have qualified. Additionally, it is projected the client population will grow at a rate of 3.94% per year based upon the growth experienced in the Old Age Assistance (OAA) and Permanently and Totally Disabled (PTD) population as provided by the Division of Medical Services.

Projected Eligibles

Based on information provided by the Division of Family Services, it is projected that 29,717 persons will be eligible under the new resource limit ($3,000 for an individual and $5,000 for a couple) and under the new income limit (100% of the federal poverty level) a portion of which will qualify for all Medicaid services. This projection includes 10,203 Qualified Medicare Beneficiaries (QMB), 5,494 Specified Low-Income Medicare Beneficiaries (SLMB) recipients and 10,908 spend down clients. The remaining 3,112 cases are expected to come from the general population and could qualify for benefits based on their age or disability. It is estimated that 25% of the current active QMB eligibles will qualify under the raise in income and that the balance of the QMB eligibles will qualify under the raise in resource limits or as a combination of the raise in income limits and resource limits. It is estimated that all of the SLMB eligibles and all of the eligibles (new cases) from the general population will qualify under the raise in resource limits. The DA assumes that spend down clients who become eligible because of the increase in the income requirements and who are currently receiving in-home services are already being case managed and therefore, will not increase the number of potential eligibles.

ASSUMPTION (continued)

The DOS states there are 373,566 Medicaid cases broken down as follows:

Medical Assistance	141,548
MA for Children in Care	1,314
Supplemental Payments	169
QMB	12,781
SLMB	7,895
SNC	7,691
MC+	154,645
MPW	14,164
SAB	778
BP	2,621
Vendor Nursing Homes	29,960
Total Cases in January, 2001	373,566

The DOS assumes the number of cases affected by this proposal to be 10,000. The DOS estimates the percent of caseload to be three percent (10,000/373,566). The DOS employs 449 workers for 373,566 cases. The DOS assumes that three percent or thirteen workers are working on the spenddown cases that would be affected by this proposal. The DOS states these cases would not be closed but would convert from spenddown cases to full Medicaid coverage. The DOS estimates that each case would take approximately half the time as a spenddown case. The DOS assumes there is a potential savings of fifty percent of the workers' time or 6 workers (13 workers x 1/2).

The DOS states that of the 10,908 new eligibles as a result of this proposal, the DOS may currently be paying spenddown by Medicaid. The DOS ranged this amount to be up to $8,019,639 annually.

 # Oversight assumes there are 10,908 clients affected by this proposal. **Oversight** assumes they are reviewed quarterly and the reviews take one hour each quarter (10,908 x 4 hours = 43,632 hours). **Oversight** assumes this proposal would reduce the reviews annually and would take one hours (10,908 x 1 hour = 10,908 hours). **Oversight** assumes this would be administrative savings of 16 FTE (32,724 hours / 2,080 hours per FTE). **Oversight** assumes administrative savings of $635,648 [($28,272 (salary) + $9,423 (fringe benefits)) x 16 FTE + $32,528 expense and equipment]. **Oversight** assumes the expenses currently paid for spenddown clients is a range of $1,000,000 to $8,019,639.

ASSUMPTION (continued)

Staffing based on Individuals Qualifying based on Income Limits

According to the Department of Social Services, Research & Evaluation Unit, in FY 02 the division will serve 71,238 clients or 39.13% of the 182,054 Medicaid eligibles and approximately 29.12% of these are projected to be in-home services clients. Based on the 29.12% participation for in-home services, the division estimates 5,477 [(10,203 + 5,494 + 3,112) x 29.12%] additional Medicaid recipients will access home care as an alternative to facility placement. Of the 5,477 recipients, 865 will qualify based on the raised income limits [(11,882 current average active QMB cases x .25) x 29.12%]. Based upon the assumption that these clients enter the Medicaid program who previously would not have qualified for the program, the division estimates 865 new clients requiring case management the first year. Based upon a growth factor of 3.94%, the division estimates 899 (865 x 103.94%) clients requiring case management the second year and 935 (865 x 103.94% x 103.94%) clients requiring case management the third year. The division will need eleven (11) additional Social Service Worker II (SSW) positions the first year to case manage the new Medicaid eligibles based on current average caseload size of 80 cases per Social Service Worker (865 / 80 = 10.8125). The division will need eleven (11) SSW positions the second year (899 / 80 = 11.2375) and twelve (12) SSW positions or one (1) additional SSW position the third year (935 / 80 = 11.6875). The division will also need one (1) Home and Community Services Area Supervisor position based on current supervision levels of one supervisor for every nine Social Service Workers and one (1) Clerk Typist II position to provide clerical support to the Area Supervisors and the Social Service Workers. The division will add the supervisor and clerical support staff in the first year.

The Social Service Worker IIs will be placed in the following counties/locations:

Year 1 (11 workers)

1 Christian	1 Taney	1 Cape Girardeau	1 Carter	1 Chariton	1 Pettis
1 Buchanan	1 Camden	1 Macon	1 Franklin	1 Jefferson	

Year 3 (12 workers - 1 additional worker)

1 Clinton

The Area Supervisor position and the Clerk Typist II position will be placed in Christian County in year 1.

Staffing based on Individuals Qualifying based on Resource Limits

According to the Department of Social Services, Research & Evaluation Unit, in FY 02 the division will serve 71,238 clients or 39.13% of the 182,054 Medicaid eligibles and

approximately 29.12% of these are projected to be in-home services clients. Based on the

ASSUMPTION (continued)

29.12% participation for in-home services, the division estimates 5,477 [(10,203 + 5,494 + 3,112) x 29.12%] additional Medicaid recipients will access home care as an alternative to facility placement. Of the 5,477 recipients, 4,612 will qualify based on the raised resource limits [(10,203 + 5,494 + 3,112) x 29.12%) - 865]. Based upon the assumption that these clients will enter the program three (3) months earlier than before, the division estimates 1,153 (4,612 x 25%) new clients requiring case management the first year. Based upon a growth factor of 3.94%, the division estimates 1,198 (1,153 x 103.94%) clients requiring case management the second year and 1,246 (1,153 x 103.94% x 103.94%) clients requiring case management the third year. The division will need fourteen (14) additional Social Service Worker II (SSW) positions the first year to case manage the new Medicaid eligibles based on current average caseload size of 80 cases per Social Service Worker (1,153 / 80 = 14.4125). The division will need fifteen (15) SSW positions or one (1) additional SSW position the second year (1,198 / 80 =14.975) and sixteen (16) SSW positions or one (1) additional SSW position the third year (1,246 / 80 = 15.575). The division will also need two (2) Home and Community Services Area Supervisor positions based on current supervision levels of one supervisor for every nine Social Service Workers and two (2) Clerk Typist II positions to provide clerical support to the Area Supervisors and the Social Service Workers. The division will add the supervisor and clerical support staff in the first year.

The Social Service Worker IIs will be placed in the following counties/locations:

Year 1 (14 workers)
1 Greene 1 Jasper 1 Bollinger 1 New Madrid 1 St. Francois 1 Cedar
1 Platte 1 Livingston 1 Sullivan 1 Boone 1 Scotland 1 St. Charles
2 St. Louis (1 Wainwright; 1 Prince Hall)

Year 2 (15 workers - 1 additional worker)
1 Barry

Year 3 (16 workers - 1 additional worker)
1 Lincoln

The Area Supervisor positions and the Clerk Typist II positions will be placed in Platte and Camden counties in year 1 (one Supervisor and one Clerk Typist in each).

Sections 210.900 through 210.936 Family Care Safety Registry and Access Line

Adds the employee disqualification listing of the Department of Mental Health (DMH) to the

Family Care Safety Registry; expands the purpose of checking the registry to include licensure; states effective January 1, 2002, elder care providers subject to the provisions of section 187.084

ASSUMPTION (continued)

shall access the registry to satisfy the employee disqualification provisions of that section; no fiscal impact to division.

Section 491.076 Admissible Statements by Elderly and Disabled Persons: no fiscal impact to the division.

Section 565.200 Sexual Contact with Residents or In-Home Services Clients: no fiscal impact to the division.

Section 660.030 Elder Abuse Investigation and Authority to Access Records

States that no recognized privilege, except for that between attorney and client, shall constitute grounds for failure to report as required by sections 187.020, 187.050, and 187.080 to 187.087 or to refuse to cooperate fully with or refuse access to records by the department in any of its investigations or activities initiated or to refuse or give evidence in any judicial proceeding relating to the likelihood of harm to an eligible adult. The provision also grants authority for DOS personnel to access all medical and mental health records regardless of the institution, facility or entity in possession of such records. There is no fiscal impact associated with this provision.

Section 660.051 Requires the division to make available on DA's Internet web site surveys of every long-term care facility licensed in this state.

The division assumed the proposed legislation requires all statements of deficiencies, identical to those posted in the facility, to be available on DA's Internet web site for certified and state licensed skilled nursing facilities, intermediate care facilities, and residential care facility Is and IIs (1,250+ facilities). The legislation also requires DA's web site to provide a link to the federal web site that provides a summary of facility surveys conducted over the last three years and information on how to obtain a copy of a complete facility survey. Additionally, the web site shall include a notation on any survey which is in dispute. The division will need one (1) additional Computer Information Technologist II position to ensure information provided on the web site is current; provide technical support and maintenance of the portion of the division's web site related to the 1,250+ providers and their associated statements of deficiencies; and be responsible for systems management, configuration, administration and troubleshooting activities including support of state level communication protocols and database functions.

Section 660.055 Shared Care

The division assumes the Department of Revenue will determine the impact of the increased cost of allowing tax credits under the shared care program to be refundable.

ASSUMPTION (continued)

Section 660.071 Creation and Distribution of New Aging Publication

The division is required to distribute a comprehensive publication encompassing the MO Guide For Seniors, the Long-Term Care Facility Directory, and additionally, all companies, organizations, and facilities in the state providing services for older adults who wish to be listed, and including information about where to obtain inspection and survey information, current licensure status and other quality related information categorized by both services and location. Currently, the division has no appropriation specifically designated for the MO Guide for Seniors. During FY99, DA utilized existing EE funds to print only a limited supply (35,000 copies) of the eighty-eight (88) page MO Guide For Seniors at $0.75 each for a total of $26,250. The new publication, which is to include a listing of all public or private companies or organizations providing services for older adults, will be a substantially larger publication than the current Senior Guide. The DA assumes that the majority of those providing services to older adults will wish to be listed, including long-term care facilities, in-home services providers, home health agencies, adult day care programs, senior centers, hospices, hospitals, durable medical equipment providers, pharmaceutical companies, insurance companies. Based on information obtained from the Division of Tourism about their official travel guide, the DA anticipates that the new publication will be about 350 pages; we anticipate more listings than the travel guide and in consideration of the targeted audience for the guide we will use a larger type font. The DA will contract for the typesetting, solicitation of advertising and collection of payment for ads, printing, development of a mailing list and mailing of the guide. We estimate printing 125,000 copies of the guide on a quarterly basis to allow for updates to the information, with the first printing in FY 03; in FY 02, the DA will develop the request for proposal, evaluate the responses and award the contract. The division has no method of directly collecting money from providers for advertising in the guide; therefore, it is assumed that the printing contractor will also solicit advertising and the money collected for ads will be utilized to cover the final contract cost to DA.

660.083 Consideration of Compliance History When Issuing License

The Division of Aging assumes current staff in our Compliance Unit will be sufficient to document and forward to the appropriate units within the Division of Aging a listing of those facilities whose compliance history should be considered when issuing or renewing a license. We believe the fiscal impact of this requirement would not be significant. However, dependent on the criteria that are established for not licensing a facility a future request for FTE for the

Compliance Unit may be needed.

ASSUMPTION (continued)

660.252 Medicaid Participation Agreements and Mandated Training on Elder Abuse

Current training requirements are mandated for all contracted in-home services provider agencies in accordance with 13 CSR 15-7.021 (19). Included in required training topics is recognizing and reporting abuse, neglect, and/or exploitation of elderly or disabled clients. The cost of staff providing training as an in-service for provider agencies will be absorbed by the division. Additionally, reporting elder abuse is required by the contract for in-home services as well as state law.

Medicaid Participation Agreements currently require that enrolled provider agencies abide by all state and federal laws; the division will work with Division of Medical Services to add a provision which specifically relates to long-term care facility compliance with sections 660.600 to 660.608 regarding access by state ombudsmen; we anticipate no significant fiscal impact to the division.

660.401 Restructuring of the Adult Day Care Program

660.401. 1. The Division of Aging (DA) will continue to work with the Division of Medical Services (DMS), who is currently restructuring the adult day health care program, to allow for a program that provides a basic level of adult day care services without the rehabilitative services. DMS is currently in the process of requesting an amendment to the Aged and Disabled Waiver to include an adult day care program (Adult Day Care Basic) that does not require rehabilitative services provided by a licensed professional therapist. The implementation of this program is projected to be in April 2001 pending approval of the Health Care Financing Administration (HCFA).

Based on information provided by the DMS, the DA will need additional funds to pay for basic adult day care for Medicaid clients who are spend down clients during periods of ineligibility. According to DMS: there is currently 660 clients per month utilizing the adult day health care program; the anticipated growth is 92 clients (approximately 14%); the anticipated rate for basic adult day care will be $38.00 per day; average monthly authorization of Medicaid units is 18 per client.

Based on historical data from prior years expenditures, about 97% of the total day care programs costs are expended by DMS and about 3% by DA. For FY 00, the DMS expended

approximately $4,735,000 for adult day health care and the DA expended approximately $142,000. The DMS anticipates their cost for the basic adult day care program will be $1,000,000 for the first full year. Therefore, based upon historical data that the DMS expends 97% of the cost of the program, the DA estimates that the first full year cost will be $30,928
ASSUMPTION (continued)

(3%) for basic adult day care services for spend down clients during periods of Medicaid ineligibility. The DA is showing only 10 months of cost for the program in FY 02 or $25,773. Full year program costs for FY2003 and FY2004 include costs for growth of approximately 14% annually.

660.401. 2. Transportation Costs for Adult Day Care Programs. The Division of Aging (DA) will work with the Division of Medical Services (DMS) to restructure the adult day care program to allow for reimbursement to providers for transportation of clients to and from their homes for adult day care programs. Based on information provided by the DMS, the DA will need additional funds to pay for transportation costs for those Medicaid clients who are spend down clients during periods of ineligibility. According to the DMS: there is currently 660 clients per month utilizing the adult day health care program; the anticipated growth is 92 clients (approximately 14%); 146 clients per month anticipated to use the new basic adult day care program; an estimated 75% of the adult day care programs clientele will require transportation assistance; transportation costs average $6.00 per day per participant.

The DMS anticipates the following transportation costs:

FY 02 660 + 92 = 752 + 146 = 898 x 75% = 674; 674 x $6.00 per day x 18 days per month x 10 months = $727,920

FY03 898 + 92 = 990 x 75% = 743; 743 x $6.00 per day x 18 days per month x 12 months = $962,928

FY 04 990 + 92 = 1,082 x 75% = 812; 812 x $6.00 per day x 18 days per month x 12 months = $1,052,352

Based on historical data from prior years expenditures, about 97% of the total day care programs costs are expended by the DMS and about 3% by the DA. For FY 00, the DMS expended approximately $4,735,000 for adult day health care and the DA expended approximately $142,000. Based upon the above estimated costs for the DMS for transportation for adult day care programs, the Division of Aging will require $22,513 (3%) in FY 02; $29,781 in FY 03 and $32,547 in FY 04 to pay our cost of the transportation services to spend down clients during periods of Medicaid ineligibility.

660.401. 3. Amend Rules for Adult Day Care Programs. Institutional Services assumed any fiscal impact would be related to an increase in the number of facilities being inspected as adult day care providers. It is our understanding that some of the rules and regulations related to the

adult day care program are federal and may not fall within our purview. Therefore, dependent on the number of long-term care facilities seeking admission into the adult day care service program, Institutional Services may see a future fiscal impact requiring a request for additional FTE in the future.
ASSUMPTION (continued)

660.600. Transfer of the Office of the State Ombudsman for Long-Term Care Facility Residents
The Division of Aging's House Bill 11 appropriations of $221,435, including 4.0 FTE and their associated personal services as well as expense and equipment, would transfer from the Department of Social Services to the Office of the Lieutenant Governor. The fiscal impact would be a savings to the Department of Social Services with an identical cost to the Office of the Lieutenant Governor. The net effect to the state would be $0.

The proposed legislation does not contain an emergency enactment clause; therefore, the division assumes the program responsibilities would transfer effective late August, 2001 (FY 02) and the transfer of the appropriations would occur July 1, 2002 (FY 03).

	Home & Community Services Personnel	**Institutional Services**
Personal Services		
GR	$0	$15,040
FF	$99,300	$16,340
Subtotal	$99,300	$31,380
	3.0 FTE	1.0 FTE
Expense & Equipment		
GR	$0	$2,758
FF	$85,000	$2,997
Subtotal	$85,000	$5,755
Total		$221,435

New section 2 requires a report and recommendations to consolidate and centralize EDLs

The Division of Aging assumes that current resources will allow for participation and preparation in the development of this report and recommendations. Fiscal impact as a result of consolidation and centralization of the EDLs will be determined through this process and, therefore, is not included.

New section 3 (amendment #7) requires facilities to remain current on payments to vendors of essential services (within 120 days) if such delinquency affects the quality of care received by the facility's residents. Upon receipt and verification of a complaint of delinquency of payment from a vendor of essential services, the division may require submission of a plan of correction. If the

division determines the corrective measures are inadequate or have not been implemented, the division may impose sanctions up to and including revocation of the facility's license. The division will need one (1) new Accountant II position to verify, upon receipt, a complaint of

ASSUMPTION (continued)

delinquency from a vendor that a long-term care facility is in excess of 120 days behind in payments to vendors of essential services. Further, this position will review plans of correction submitted by the facility to determine adequacy and to monitor implementation of such plans. This position will be responsible for recommending imposition of sanctions against facilities failing to meet the requirement.

Staffing Costs:

Based on previous experience, the following amounts represent the average annual expense of an FTE:

- Rent (Statewide Average) - $2,700 per FTE ($13.50 per sq. ft. x 200 sq. ft.)
- Utilities - $320 per FTE ($1.60 per sq. ft. x 200 sq. ft.)
- Janitorial/Trash - $200 per FTE ($1.00 per sq. ft. x 200 sq. ft.)
- Other Expenses (Home & Community Services) - $3,906 per FTE (includes travel, office supplies, professional development, telephone charges, postage and all other expenses not itemized above.)
- Other Expenses (Institutional Services) - $5,248 per FTE (includes travel, office supplies, professional development, telephone charges, postage and all other expenses not itemized above.)

In addition to the above standard costs, systems furniture for the new HCS staff in Taney, St. Francois, Pettis, Buchanan, Boone, Macon and Scotland counties and Prince Hall in St. Louis and for the Social Services Manager B1 and the Accountant II in Jefferson City will be needed at a cost of $4,500 per FTE.

A desktop PC will be needed for the Social Services Manager position, the Accountant II and the thirty-four (34) HCS field staff at a cost of $2,099 each. A desktop PC at a cost of $4,500 and publishing/web page software at a cost of $700 will be needed for the Computer Information Technologist II.

FY 02 costs for the Social Services Manager B1 and the Accountant II positions are based on the 3 month period April 1 through June 30, 2002. FY 02 costs for the HCS Area Supervisor, the Social Service Worker and the Clerk Typist positions are based on the 10 month period September 1, 2001 through June 30, 2002. FY 03 and FY 04 costs include a 3.0% inflation adjustment for expense & equipment costs and a 2.5% inflation adjustment for personal services.

Oversight assumes the DA would hire the necessary staff to maintain the current Social Services Worker (SSW) caseload of approximately 139 cases per caseworker and would place those SSWs in the counties having the greatest need. However, we are ranging the costs associated with implementing the proposed legislation based on current caseload standards to the caseload standards recommended by the caseload study and the DOS's FY 02 Budget Request.

ASSUMPTION (continued)

Officials from the **Department of Social Services - Division of Medical Services (DMS)** stated the proposed legislation would fiscally affect their organization in the following ways:

Section 198.082 - Nurse Aide Training

DMS states the proposed legislation will not have a fiscal impact on the DMS. The reimbursement for the training is not changed. Payment for the training is made after the nurse aide has successfully completed the training course and their name has been added to the Missouri Division of Aging Nurse Assistant Register. DMS may reimburse the nursing facilities earlier since the training must be begun within 60 days of employment instead of 90 days. Also, the on-the-job training component must be completed within 90 days of employment.

Sections 208.151.1 - Expanded Resources and Income Limits (Amendments 1 and 2)

The DMS worked with the DFS to identify the population that is being proposed for full medical assistance. The population includes Qualified Medicare Beneficiary (QMB), spend down eligibles, and new cases. The QMBs and the spend down groups are currently receiving limited medical services benefits, but this legislation will allow the eligibles to receive full Medicaid benefits. The new cases will enter the Medicaid program earlier because they will not be required to spend their resources to become Medicaid eligible.

QMB Only

The DMS assumed that all (15,697) of the QMB Only and SLMB populations will apply and subsequently be found eligible. The DMS assumes a monthly cost of $166 for FY 02. The DMS also assumed a 4% (fiscal note standard for medical care) increase in medical costs each year and caseload increases of 3.94% each year. The DMS assumed the initial eligibles will be phased in over a six month period.

Spenddown

The DMS assumed the 10,908 eligibles will be phased in over a six month time period. The DMS also assumed a monthly cost of $116.75 for FY 02 which was based on a report produced by Myers & Stauffer. The DMS assumed a 4% increase in medical costs each year and caseload increases of 3.94% each year.

New Cases

The DMS determined that 3,112 individuals are expected to enter the Medicaid program earlier as a result of the proposed legislation. The individual will not have to spend his resources to become Medicaid eligible. On average, it is projected the individual will become Medicaid

ASSUMPTION (continued)

eligible three (3) months sooner if the limits are increased. The cost per eligible is a weighted average of the last 3 months of actual expenditures for the OAA and PTD eligibles. The costs do not include NF and State institution expenditures. The FY 02 cost per eligible is $862.27. The cost was inflated by 4% for FY 03 and FY 04. Note: The cost per eligible includes costs for mental health services (General Revenue appropriated to the Department of Mental Health).

More eligibles will result in more claims processed which will result in higher payments to the contractor. It is projected the additional claims will result in increased payments to the contractor each year. The federal match rate of 61.06% for program costs and 75% for claims processing was used.

FY 2002	
QMB/SLMB Cases	$19,542,350
Current Spend down Cases	9,551,318
New Cases	6,029,856
Processing Costs	100,000
Total	$35,223,524
FY 2003	
QMB/SLMB Cases	$33,218,353
Current Spend down Cases	16,234,097
New Cases	8,657,318
Processing Costs	100,000
Total	$58,209,768
FY 2004	
QMB/SLMB Cases	$35,908,564
Current Spend down Cases	17,545,975
New Cases	9,370,131
Processing Costs	100,000
Total	$62,924,670

ASSUMPTION (continued)

Section 208.152.1.(4) - Payment to NF for a Newly Admitted Medicaid Resident

The bill will require the DMS to reimburse a licensed nursing home operator for a newly admitted Medicaid resident in a licensed long term care facility within 45 days of the resident's date of admission. The DMS reimburses a nursing home provider for services rendered to a resident who has been determined to be Medicaid eligible and meets the criteria for long term care. Payment cannot be made until Medicaid eligibility is determined. If the DMS is required to make payment within 45 days of the resident's date of admission, the DMS believes some payments will be made before the screening process is completed. This will result in making payments for recipients who may not be eligible for long term care. This payment will be made 100% from the General Revenue Fund. The cost is unknown but less than $100,000

Currently the DMS is required to make timely payments, federal law (42 CFR 447.45) requires the state to make reimbursement on 90% of all "clean claims" within 30 days of receipt while 99.98% of "clean claims" are paid within 60 days. A "clean claim" is a claim that has been processed and has passed all edits and audits. (Examples of edits and audits: Medicaid eligibility as well as vendor placement is checked against date of service, the service provided is a covered Medicaid service, and the provider is an enrolled Medicaid provider.)

Section 660.026 - Funding for FQHCs

DMS assumed that there would not be a fiscal impact to the division. If funds are appropriated, DMS can contract and provide funding to FQHCs with existing staff and resources.

Oversight assumes a range of $0 to ($5,000,000) from the Healthy Families Trust Fund - Health Care Treatment and Access Account. This amount reflects the amount of new funding requested from tobacco settlement funds in the FY 02 Governor's budget request.

Section 660.252 - Medicaid Participation Agreements

The provision of the bill that requires the in-home service agencies to provide training on elder abuse and neglect to their employees will not have a fiscal impact on the DMS. Currently there is an administrative regulation (13 CSR 70-91.03) that requires providers to report instances of

abuse and neglect. In order for the providers to do this, the providers must train their staff on elder abuse and neglect.

This section also requires the participation agreements include facilities to comply with the provision of sections 660.600 to 660.608 regarding access to facilities by ombudsmen or representatives of the office of the state ombudsman for long-term care residents. The agreements can be updated to include this language without a material fiscal impact to the DMS.

ASSUMPTION (continued)

Section 660.401 - Restructure of the Adult Day Care Program (ADHC)

This section requires the restructuring of the adult day care program to allow for a program that provides a basic level of care without the rehabilitative services and requires the DMS to provide additional reimbursement to providers for the transportation of clients to and from their homes for adult day care. It is assumed the adult day care program referenced in the proposed legislation is the adult day program administered by the DMS.

The DMS stated there is no fiscal impact from the requirement that the program be restructured to provide a basic level of care without therapy services. Currently, the DMS is amending the Aged and Disabled Waiver to include an adult day care program (Adult Day Care Basic) that does not require rehabilitative services provided by a licensed professional therapist. The implementation of this program is projected to be in April 2001 pending approval by the HCFA. However, the requirement that the DMS provide additional reimbursement to providers for the transportation of clients to and from their homes for adult day care will have a fiscal impact.

The FY 01 average number of users of the ADHC program is 660 per month. It is projected that 92 additional persons will use the program each year. This is based on the average increase in users from FY 99 to YTD FY 01. In addition, 146 persons are expected to receive services from the new Adult Day Care Basic program each year. It is estimated that 75% of the users of the Adult Day programs will require transportation services and the cost of transportation is expected to be $6.00 per day. The average number of ADHC units (days) per month paid by the DMS is 18 units. This has held steady over the past few years. A unit can be up to 10 hours per day. (The projected users per month for transportation services and transportation costs reported by the DMS have been reported on page 14 of this fiscal note by the DA and will not be reproduced here.)

Officials from the **Department of Social Services - Division of Family Services (DFS)** assume that all their Medicaid programs are impacted by language in Sections 208.010 RSMo. However, for the purpose of this fiscal note work-up, the DFS assumes Temporary Assistance is excluded as stated in 208.010.2 (4) RSMo.

The DFS assumes the MA Spenddown population, who would be eligible for full Medicaid on the basis of the 100% of the FPL, to be those with income greater than $530 (SSI Standard for a single individual) but less than or equal to $716 (100% of FPL) or with income greater than $796 for a married couple but less than or equal to $968 to be 10,908. (Data provided by DOS Research and Evaluation Unit dated 10/25/00.)

ASSUMPTION (continued)

The DFS officials further assume 11,882 QMB cases, and 6,860 SLMB cases. This data is based on average persons receiving monthly for FY 2000 and should provide a more accurate count of individuals impacted. (Source of data: FY 2000 DSS Annual Data Report published by Research and Evaluation.)

The DFS assumes that the proposed legislation will have a negligible fiscal impact on both the GR and SAB programs. The GR population may have a small percentage of cases that have income in the month of application greater than $181 (need standard for a 1 person household) but less than or equal to the SSI maximum of $530. This is typically a result of terminated income from employment. Effect on eligibility would be limited to the month of application. SAB individuals rejected in the past on excessive resources usually qualify for the Blind Pension program since it has a $20,000 resource maximum.

The DFS assumes that 65% of the total population would qualify for the single resource maximum and 35% of the total population would qualify for the couple resource maximum, as reported by the Health Care Finance Administration (Medicare Current Beneficiary Survey Data Tables, 1997, Table 1.2). Assuming 65% of the current Qualified Medicare Beneficiary (QMB) and Specified Low-income Medicare Beneficiary (SLMB) program participants are living alone, the DFS further assumes that all of this population would be eligible for Medicaid based on the increased resource limits. For the SLMB population, the income limit is greater than 100% of the FPL therefore, this population would be spend down.

18,742	Active QMB/SLMB cases
x .65	% living alone
12,182	# eligible
x .75 %	living alone with resources equal to or less than $1,500
9,137	# of new eligibles living alone

The DFS assumes 35% of the current Qualified Medicare Beneficiary (QMB) and Specified Low-income Medicare Beneficiary (SLMB) program participants are living with a spouse. Assume that 83.3% (5,000/6,000 = 83.3%) of this population would be eligible for Medicaid

based on the increased resource limits. For the SLMB population, the income limit is greater than the 100% of the FPL therefore, this population would be spend down.

18,742	Active QMB/SLMB cases
x .35 %	living with spouse
6,560	# eligible
x .833 %	of married couples with resources equal to or less than $3,000
5,465	

ASSUMPTION (continued)

The DFS assumes the global Medicare population in Missouri to be 800,000. Assuming this group to be the new population from outside of the current welfare rolls to seek Medicaid benefits.

800,000	Medicare Population
520,000	Living Alone (65%)
280,000	Living with a Spouse (35%)

The DFS assumes that 7.5% of the single Medicare population will be eligible to apply for Medicaid under the new expanded resource limits and that 5% of this population will apply and be found eligible for Medicaid.

520,000	Medicare Population Living Alone
x 7.5%	% eligible to apply
39,000	
x 5%	% applying and found eligible
1,950	New cases living alone

The DFS assumes that 8.3% of the Medicare population living with a spouse will be eligible to apply for Medicaid under the new expanded resource limits and assume that 5% of this population will apply and be found eligible for Medicaid.

280,000	Medicare Population Living with a Spouse
x 8.3%	% eligible to apply
23,240	
x 5%	% applying and found eligible
1,162	New cases living with a spouse

Fiscal Impact - Expanded Resource and Income Limits

Total populations included

15,697 - Active QMB/SLMB only cases
10,908 - New full Medicaid eligibles
1,950 - New cases (single Medicare)
+1,162 - New cases (couple Medicare)
29,717 - Total Eligibles

ASSUMPTION (continued)

The Active QMB/SLMB only cases and additional spend down cases that are currently being maintained in a caseload will not require additional staff for DFS.

1,950 - New single Medicare cases
+1,162 - New couple Medicare cases
3,112 - New Eligibles

The DFS assumes an average adult Medicaid caseload to be 480 cases. 3,112 / 480 = 6.48 or 6 new Caseworker ($29,040) FTEs needed to maintain new cases. Caseworker duties and responsibilities include take and process applications for eligibility, respond and answer both written and telephone requests for information or reported changes, and maintain all active cases in caseload.

One Clerk Typist II is needed to support 3.97 professional staff. DFS will need 2 (6 / 3.97 = 1.51) Clerk Typist II ($20,472) to support the additional caseworkers. Clerk Typist II duties and responsibilities include maintaining reports, typing letters, systems information (input/extraction), filing, accepting incoming phone calls for messages, maintaining stocks of supplies and forms, and other essential duties as support staff.

NOTE: Oversight is currently reviewing data related to cost and administrative savings of allowing elderly and disabled persons with incomes up to 100% of the federal poverty level to qualify for Medicaid. If costs are adjusted based on the review, Oversight will update this fiscal note.

Fiscal Impact - Reasonable Attorney Fees, Court Costs and Expenses

The DFS assumes the cost for attorney fees, court costs, and expenses to be exclusive to the DFS and that a reasonable attorney fee equates to $135 per hour for the purpose of this fiscal note projection. (Source of data: Missouri Bar Association.) The DFS also assumes the average number of hours for case preparation per claimant to be 40. (Source of data: Division of Legal Services.) The DFS is using the projections of Division of Legal Services since no other source is readily available to provide this information.

HW-C:LR:OD (12/00)

The DFS officials also state the DFS assumes that court costs are already being paid by DOS. Assuming "other" expenses for which the DFS would be responsible to pay would amount to an additional 25% of the total case preparation cost. These types of expenses would be for things such as telephone costs, copy fees, travel costs, public record searches, etc. (Source of data: Division of Legal Services.)

ASSUMPTION (continued)

The DLS estimates 140 closed appeals during FY 2000. The DLS expects an increase in the number of court actions if this bill is enacted as written. Therefore, a 10% increase over the FY 2000 totals is projected for this fiscal note work up.

140	# of FY 2000 court appeals
x10%	% increase in court appeals
14	# of new court appeals

140	# of FY 2000 court appeals
+14	# of new court appeals
154	Total court appeals projected

$135	Hourly cost for attorney fees
x 40	# of hours per case
$5,400	Preparation cost per case

$5,400	Preparation cost per case
x 25%	% of expenses used
$1,350	Cost for expenses per case

$5,400	Preparation cost per case
+$1,350	Cost for expenses per case
$6,750	Total cost per case

$6,750	Total cost per case
x 154	Total court appeals projected
$1,039,500	Total annual cost for attorney fees and other expenses

Fiscal Impact - Employee Disqualification List (EDL)

DFS estimates it can absorb any costs associated with collaborating with the Department of Health and Mental Health to form one central employee disqualification list.

HW-C:LR:OD (12/00)

Criminal Background Checks for Child Care Providers

DFS does not believe that there is a fiscal impact from the new language added in section 210.025.

ASSUMPTION (continued)

The **DFS - Children's Services** states the legislation would have no fiscal impact on the division with the exception of the Child Assessment Centers (CAC). An additional $500,000 would be required to bring the proposed two CAC facilities to the same level as the CAC's currently receiving funding through the Department.

Officials from the **Department of Social Services - Division of Legal Services (DLS)** stated it is projected the expanded income and resource limits will result in an eligible universe of approximately 34,500 persons. The DLS assumes approximately 10% of those individuals will be denied, resulting in 3,500 denials. Of this amount, 10% of the 3,500 will appeal, resulting in 350 new appeals during the course of the year. In addition, there are other matters in the bill that could result in an increase in hearings. Those include transportation issues and matters related to the employee disqualification list for in-home clients. For this reason, it is estimated an hearing officer will be needed if the provisions in HB 349 are passed.

The DLS stated that it is anticipated that the new provisions will result in increased litigation and will also require legal assistance in drafting and implementing rules and regulations and internal policies. These proposed language will need legal assistance because the bill:

- Re-enacts, with amendments, Section 198.070 relating to abuse or neglect in nursing homes and other long-term care facilities;
- Requires prompt referral of reports of abuse or neglect to law enforcement;
- Requires the Division of Aging and law enforcement agencies to conduct cross-training on investigative techniques;
- Re-enacts, with amendments, Section 660.300 relating to abuse or neglect of in-home service clients;
- Re-enacts Section 660.305 relating to misappropriation of an in-home services client's property or funds or falsifying in-home service delivery records;
- Re-enacts Section 660.315 relating to the employee disqualification list;
- Re-enacts Section 660.317 relating to criminal background waivers;
- Directs the Division of Aging to establish telephone check-in pilot project to improve documentation of work performed by in-home services employees;
- Authorizes the Division of Aging to direct facilities with deficiencies relating to staffing

issues that affect patient care to implement corrective measures related to staffing;

- Directs the Department of Social Services to expand eligibility under the Medicaid program by increasing the current asset and income limits, and requires the Department to seek waivers from the Federal Government to increase such limit;
- Requires the inclusion of a requirement relating to training on abuse and neglect in all Medicaid participation agreements between the Department of Social Services and in-home services provider agencies.

ASSUMPTION (continued)

Officials from the **Department of Social Services - Division of Budget and Finance (DBF)** stated assuming that all nursing homes will submit billings for new Medicaid residents early and the Medicaid contractor processes them promptly or identifies them separately from the other Medicaid payments due, the DBF will be able to process the payments within 45 days with existing resources.

FISCAL IMPACT - State Government	FY 2002 (10 Mo.)	FY 2003	FY 2004
HEALTHY FAMILIES TRUST FUND - HEALTH CARE TREATMENT AND ACCESS ACCOUNT			
Cost - Department of Social Services			
Contracted services	$0 to ($5,000,000)	$0 to ($5,000,000)	$0 to ($5,000,000)
ESTIMATED NET EFFECT ON HEALTHY FAMILIES TRUST FUND - HEALTH CARE TREATMENT AND ACCESS ACCOUNT	**$0 to ($5,000,000)**	**$0 to ($5,000,000)**	**$0 to ($5,000,000)**
GENERAL REVENUE FUND			
Costs - Office of Administration			
Expansion of Shared Care Tax Credit	(Unknown)	(Unknown)	(Unknown)
Total Costs - Office of Administration	(Unknown)	(Unknown)	(Unknown)
Costs - Department of Health			
Personal Service Costs (2 FTE)	($32,042)	($39,411)	($40,396)
Fringe Benefits	($10,680)	($13,136)	($13,464)
Equipment and Expenses	($24,452)	($12,350)	($12,720)
Total Costs - Department of Health	($67,174)	($64,897)	($66,580)
Savings - Department of Social Services			
Reduction in personal services#	$241,547	$247,647	$253,867
Costs - Department of Social Services - Division of Aging			
Personal Service (13.34 FTE) to (23.64 FTE)	($311,884) to ($572,581)	($418,025) to ($774,705)	($447,701) to ($840,657)
Fringe Benefits	($103,951) to ($176,069)	($139,328) to ($238,222)	($149,219) to ($258,502)

FISCAL IMPACT - State Government	FY 2002 (10 Mo.)	FY 2003	FY 2004
Equipment and Expense	($201,607) to ($244,668)	($101,462) to ($225,670)	($117,198) to ($244,526)
Other Costs - Adult Day Care	($48,286)	($65,038)	($72,740)
Total Costs - Department of Social Services - Division of Aging	($665,728) to ($1,041,604)	($723,853) to ($1,303,635)	($786,858) to ($1,416,425)

GENERAL REVENUE (cont.)

Cost - Department of Social Services - Division of Family Services			
Personal services (5.36 FTE)	($89,127)	($109,626)	($112,367)
Fringe benefits	($29,706)	($36,538)	($37,452)
Expense and equipment	($67,944)	($25,245)	($26,003)
Attorney fees/court costs	($580,155)	($717,359)	($738,880)
Child Assessment Centers	($500,000)	($500,000)	($500,000)
Total Costs - DFS	($1,266,932)	($1,388,768)	($1,414,702)
Costs - Department of Social Services - Division of Legal Services			
Personal Service (1.46 FTE)	($34,874)	($42,895)	($43,967)
Fringe Benefits	($11,624)	($14,297)	($14,654)
Equipment and Expense	($14,013)	($10,660)	($10,979)
Total Costs - Division of Legal Services	($60,511)	($67,852)	($69,600)
Costs - Department of Social Services - Division of Medical Services			
Program costs#	($10,837,705) to ($13,571,152)	($19,880,061) to ($22,613,508)	($21,750,866) to ($24,484,313)
Processing costs	($25,000)	($25,000)	($25,000)
Total Costs - DMS	($10,862,705) to ($13,596,152)	($19,905,061) to ($22,638,508)	($21,775,866) to ($24,509,313)
Total Costs - Department of Social Services	($12,614,329) to ($15,723,652)	($21,837,887) to ($25,151,116)	($23,793,159) to ($27,156,173)
ESTIMATED NET EFFECT ON	**($12,681,503) to**	**($21,902,784) to**	**($23,859,739) to**

HW-C:LR:OD (12/00)

FISCAL IMPACT - State Government	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND *	**($15,790,826)**	**($25,216,013)**	**($27,222,753)**

*** Does not include unknown costs for expansion of the Shared Care Tax Credit.**

FEDERAL FUNDS

Savings - Department of Social Services			
Reduction in personal services#	$394,101	$404,055	$414,205
Loss - Department of Social Services			
Reduction in Medicaid reimbursements due to reduction in personal services#	($394,101)	($404,055)	($414,205)
Income - Department of Social Services - Medicaid Reimbursements	$19,731,814 to $22,351,096	$34,008,453 to $36,983,820	$36,996,662 to $39,989,947
Costs - Department of Social Services - Division of Aging			
Personal Services (9.66 FTE) to (13.36 FTE)	($225,847) to ($315,996)	($302,708) to ($444,553)	($324,197) to ($480,752)
Fringe Benefits	($75,275) to ($96,861)	($100,892) to ($136,700)	($108,055) to ($147,831)
Equipment and Expense	($145,991) to ($141,291)	($73,473) to ($137,740)	($84,868) to ($148,375)
Total Costs - Department of Social Services - Division of Aging	($447,113) to ($554,148)	($477,073) to ($718,993)	($517,120) to ($776,958)
Cost - Department of Social Services - Division of Family Services			
Personal services (2.64 FTE)	($43,898)	($53,995)	($55,345)
Fringe benefits	($14,631)	($17,997)	($18,446)
Expense and equipment	($33,465)	($12,434)	($12,807)
Attorney fees/court costs	($285,748)	($353,326)	($363,926)
Total Costs - DFS	($377,742)	($437,752)	($450,524)
Costs - Department of Social Services - Division of Medical Services			

FISCAL IMPACT - State Government	FY 2002 (10 Mo.)	FY 2003	FY 2004
Program costs#	($18,768,045) to ($21,280,292)	($32,946,941) to ($35,680,388)	($35,880,482) to ($38,613,929)
Processing costs	($75,000)	($75,000)	($75,000)
Total Costs - DMS	($18,843,045) to ($21,355,292)	($33,021,941) to ($35,755,388)	($35,955,482) to ($38,688,929)

FEDERAL FUNDS (cont.)

Costs - Department of Social Services - Division of Legal Services			
Personal Service (1.54 FTE)	($36,866)	($45,345)	($46,479)
Fringe Benefits	($12,287)	($15,113)	($15,491)
Equipment and Expense	($14,761)	($11,229)	($11,566)
Total Costs - Division of Legal Services	($63,914)	($71,687)	($73,536)
Total Costs - Department of Social Services	($19,731,814) to ($22,351,096)	($34,008,453) to ($36,983,820)	($36,996,662) to ($39,989,947)
Costs - Department of Labor			
Lost Federal-Match on Start-Up Costs	($8,615)	$0	$0
Total Costs - Department of Labor	($8,615)	$0	$0
ESTIMATED NET EFFECT ON FEDERAL FUNDS	**($8,615)**	**$0**	**$0**

FISCAL IMPACT - Local Government	FY 2002 (10 Mo.)	FY 2003	FY 2004

LOCAL GOVERNMENT FUNDS

Costs - Prosecuting Attorneys			
Upgrades to Computer Systems, Forms and Instruction Changes	Exceeds ($100,000)	$0	$0
ESTIMATED EFFECT ON LOCAL GOVERNMENT FUNDS	**Exceeds ($100,000)**	**$0**	**$0**

FISCAL IMPACT - Small Business

A fiscal impact to small businesses would be expected due to the requirements of this bill regarding the implementation of background checks on employees and violations or deficiencies cited by the Division of Aging involving corrective actions related to staffing issues. The potential cost to small businesses is unknown.

DESCRIPTION

This bill modifies the law relating to protection of the elderly. In its major provisions, the bill:

(1) Creates a new chapter on protection of the elderly and transfers several existing statutory sections to this chapter;
(2) Requires reports of suspected elder abuse to be referred to the appropriate law enforcement agency. Current law requires only substantiated reports to be referred. The Division of Aging is also required to investigate immediately any report of elder abuse or neglect that involves a threat of imminent harm;
(3) Requires the division and law enforcement agencies to cross-train personnel in investigating cases of suspected elder abuse;
(4) Makes it a class A misdemeanor for a health care provider to knowingly hire an applicant whose name appears on the Division of Family Services' central registry for child abuse and neglect; who has had a foster care license refused, suspended, or revoked; or who has been disqualified from employment by the Department of Mental Health. This provision has an emergency clause;
(5) Allows the Attorney General to handle Medicare fraud investigations. The bill also allows the Attorney General to obtain investigative subpoenas and search warrants in connection with investigations of abuse cases;
(6) Authorizes the Division of Aging, when confronted with violations or deficiencies related to staffing, to implement corrective actions such as staffing ratios, training plans, or plans related to staff supervision;
(7) Requires facilities to meet or exceed federal requirements concerning the posting of deficiencies;
(8) Makes it a class A misdemeanor for a division employee to knowingly disclose the time of an unannounced inspection of a facility licensed by the division and requires the division to terminate his or her employment;
(9) Raises the public assistance and Medicaid eligibility asset limit from $1,500 to $3,000 for a single person and from $3,000 to $5,000 for a couple. The bill also allows the elderly and persons qualifying for total disability benefits with incomes up to 100% of the federal poverty level to qualify for Medicaid;
(10) Requires the Division of Medical Services to remit Medicaid payments to long-term care facilities for newly admitted residents within 45 days of admission; and
(11) Requires the Division of Aging to restructure the adult day care program by examining the program's requirements, offering additional reimbursement for transportation to such services,

and streamlining regulations governing long-term care facilities that offer adult day care services.

This legislation is not federally mandated, would not duplicate any other program. Additional capital improvements or rental space will be necessary.

SOURCES OF INFORMATION

Office of State Public Defender
Department of Health
Office of State Courts Administrator
Office of Secretary of State
Department of Corrections
Cole County Prosecuting Attorney's Office
Department of Revenue
Office of Administration - Division of Budget and Planning
Department of Labor
Department of Social Services
Department of Mental Health
Office of Attorney General
Department of Public Safety - Missouri Highway Patrol
Office of State Treasurer
Office of Lieutenant Governor

NOT RESPONDING: Office of Prosecution Services

Jeanne Jarrett, CPA
Director
May 1, 2001